Excerpt from HAI Inputs Portfolio, Page 33

2.6.1. Distribution Cable Sizing Factors

Definition: The factor by which distribution cable is increased above the size needed to serve a given quantity of demand in order to provide spare pairs for breakage, line administration, and some amount of growth. HM 5.0a divides the number of pairs needed in a distribution cable to meet existing demand by this factor to determine the minimum number of pairs required, then uses the next larger available size cable.

Default Values:

| Distribution Cable Sizing Factors | |
|-----------------------------------|---------|
| Density Zone | Factors |
| 0-5 | .50 |
| 5-100 | .55 |
| 100-200 | .55 |
| 200-650 | .60 |
| 650-850 | .65 |
| 850-2,550 | .70 |
| 2,550-5,000 | .75 |
| 5,000-10,000 | .75 |
| 10,000+ | .75 |

Support: In determining appropriate cable size, an outside plant engineer is more interested in a sufficient number of administrative spares than in the percent-sizing ratio. The appropriate distribution cable sizing factor, therefore, will vary depending upon the size of cable. For example, 75% utilization in a 2400 pair cable provides 600 spares. However, 50% utilization in a 6 pair cable provides only 3 spares. Since smaller cables are used in lower density zones, Distribution Cable Sizing Factors in HM 5.0a are lower in

the lowest density zones to account for this effect.

In general, the level of spare capacity provided by default values in HM 5.0a is sufficient to meet current demand plus some amount of growth. Because the model calculates the unit loop investment cost as the total loop investment (including spare capacity), divided by the current loop demand, the resulting unit costs are a conservatively high estimate of the economic cost of meeting current loop demand. This occurs because, in reality, some of the spare distribution plant can and will be used to satisfy additional loop demand in the future, without causing any additional investment cost, thus a larger number of customers will pay for the cable over time. In this sense, the HM 5.0a default values for the distribution cable sizing factors are conservatively low from an economic costing standpoint.